



# MN Small Business Environmental Improvement Loan

Tools and Incentives for Green Diesel Technology:  
Lower Emissions, Higher Profits

September 7, 2006

# History

- 1995 – 2005
  - Small Business Environmental Improvement for Air – Legislation and funding
  - Combined Small Business Hazardous Waste Cleanup Program – became “multimedia”
  - Total funding: \$750,000
- Issued 50 loans for over \$1.7 Million



# Eligible Borrowers

- MN small business with less than 50 full time employees
- Potential emitter of pollutants to air, ground, or water
- After tax profit less than \$500,000
- Net worth less than \$1,000,000



# Loan Conditions

- Low interest rate – (4% or ½ the prime rate, whichever is greater)
- \$1,000 - \$50,000
- Payback of 1 – 7 years
- Cannot be used for the purchase of existing equipment



# Loan Process

- Application Submittals
  - Financial records
  - Quote from vendor
- Screening Committee
- Processing
  - Signatures with notary public



# Trucking Industry

## ■ Outreach

- EPA – fact sheet
- OOIDA – letter to MN members (Fall 2005); article in *Landlines* newsletter (Fall 2006)
- Vendors - referrals

## ■ Results

- 20 loans issued totaling \$193,555



# Challenges encountered

## ■ Timing

- Quarterly approvals to Open Round
- Understanding process

## ■ Collateral

- Memo to management

## ■ Review process

- Screening Committee



# Additional Challenges

- Staffing
  - Program management (0.2 FTE)
  - Loan officer (0.2 FTE)
- Process time
  - Currently 4-6 weeks
- Assisting businesses outside the scope of this program





# For more information

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